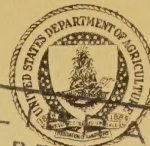
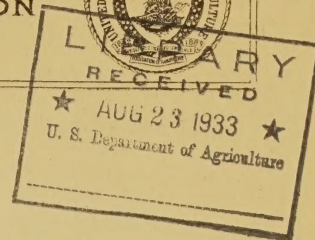




U. S. DEPARTMENT OF AGRICULTURE  
OFFICE OF INFORMATION  
PRESS SERVICE



WASHINGTON, D. C.



RELEASE FOR PUBLICATION  
JULY 26, 1933 (WEDNESDAY) AFTERNOON PAPERS

WHAT NEW ENGLAND FARMERS HAVE TO GAIN FROM THE FARM RELIEF ACT

(Outline of talk at Amherst, July 26, 1933)

by Mordecai Ezekiel,  
Economic Adviser to Secretary,  
U.S. Dept. of Agriculture.

----

The Agricultural Adjustment Act--popularly known as the Farm Relief Act--as passed this spring, represents the culmination of a dozen years of effort to correct the disabilities under which farmers have suffered.

New England farmers will profit directly through the effects of the Act on milk and dairy products, tobacco, fresh fruits and vegetables, and poultry products; and indirectly through its effects in raising the whole price level of farm products, and also in helping restore general prosperity, increase urban incomes, and restore the cities' buying power for farm products.

In dairying, the Agricultural Adjustment Administration provides, for the first time in history, an agency which can definitely arrange with producers and distributors for maintenance of stability and order in the fluid milk industry. The hearing in Washington Monday was the first concrete step toward putting a New England wide plan into effect. When the details of the plan have been approved by the Secretary, all agencies in the Boston milk-shed will be required to follow the terms of the plan--and their milk production and prices can be really stabilized at reasonable levels; and cut-throat competition will be a thing of the past.



Dairymen must remember, though, that any plan can be sunk if too much milk is produced. Over a long period, no plan can hold prices higher than the level of milk production justifies and whenever farmers persist in increasing milk production, prices eventually will have to be lowered. The price of milk cannot long be held out of line with feed-stuff prices.

The Agricultural Adjustment Administration is also making substantial progress towards agreements on butter, evaporated milk, cheese, ice cream, and dried milk, which will stabilize the underpinnings of the whole dairy industry.

In tobacco, cigar-leaf producers will reap real advantage from the plan. For years producers of cigar tobaccos have suffered from continued heavy production in the face of declining demand. New England farmers were in the best shape of any cigar-tobacco district, but even so storage supplies were heavy, and the cut already made in this year's acreage was not enough. Under the farm relief law, tobacco farmers are being offered definite cash payments in return for reduction of acreage to 50% of their base acreage. In this way the surplus will be eliminated, incomes to tobacco producers will be maintained; and payments received only by those who take part in the reductions.

The fresh fruit and vegetable situation will be improved through codes of trade practices which will eliminate sharp practices on the part of dealers and increase the share of the consumers' dollar which goes to farmers; and which will curb the extreme price cutting competition in the market that has at times been reflected in lowered prices to producers; and through special marketing agreements covering particular products or regions, and providing for a more orderly adjustment of supply to demand. In this way it may be possible at last to prevent an over-supply of potatoes wrecking prices to Maine potato producers every few years, perhaps even such specialized industries as cranberries, head-lettuce, or tomato production may be made more stable and profitable. Returns to poultry producers, too, may be



improved by parallel codes of marketing agreements.

The campaign to reduce wheat acreage next year, and the methods which may be developed to control hog and corn production, may be of indirect benefit to New England farmers through raising the whole level of feed grain prices. Cheap feed is not a real benefit to you; cheap feed means cheap milk and butter, cheap eggs and poultry. If the excess supplies of feed grains are controlled, the competition of western butter, cream, and eggs with your products will be lessened, and you will share the benefits in a generally higher price level for your products.

Finally, and perhaps most important of all, New England farmers will gain through the return of general prosperity which the Farm Relief Act is helping make possible. For ten years farm leaders have preached that the city would not continue prosperous unless farm income was maintained. The developments from 1929 through 1932 helped confirm that view. Today, with farm income on the up-grade as the result of the Farm Act and the other administration measures for recovery, city purchasing power is rising too. That is of especial concern to you New England farmers, for the low prices of your milk, and eggs, and specialty products, have been due most of all to the unemployment and reduced income in the cities. Every gain in automobile production, every housing or road contract awarded, improvement in orders for shoes or clothing, means more work for New England industries, more money in workers' pay envelopes--and a restored demand for your products.

Down in Washington we are watching the long-time effects of the farm relief work even more closely than the immediate short-time consequences. We hope to help build a prosperity which will be lasting and self-continuing. We are making haste slowly in some things, to try to pick the safest path. We will not hesitate to change, however, whenever we find we have made a mistake--only by continuous



trial and error can we work out the most effective plans. If your particular product has not been helped, or if progress seems slow in those lines in which you are most interested, please be patient with us. The law was signed only on May 12, less than four months ago. Four months is a short time to start straightening out the results of nearly four years of drifting downward.

Finally, let me remind you that the Government cannot solve farmers' problems. Only farmers can solve their own problems. The farm relief act, and the Agricultural Adjustment Administration, created under that Act, provide a mechanism through which you can cooperate to do the things which need doing. But you must carry out the acreage adjustment program in tobacco. Through your cooperative marketing associations, you must help develop and put into action the marketing agreements on milk, and fruits, and vegetables. Through your accredited leaders and representatives, you must help develop special plans and procedures for coping with each special product or problem. And finally, you must support the action taken--not merely in a spirit of blind enthusiasm, but with an intelligent, helpful, constructive attitude of helping do the best job possible; so that the whole country may push on to a re-established, normal, and healthy economic life for every citizen.

-----P-----

